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RE: UM 2211/ADV 1390 – NW Natural's Advice No. 22-02, Residential Low-Income Bill Discount Program

Dear PUC Commissioners and Staff,

Community Energy Project (CEP) and the undersigned advocates submit the following comments regarding NW Natural Bill Discount Proposal under Docket No. ADV 1390. We appreciate that NW Natural took an approach in their low-income bill discount program proposal that incorporates many of the aspects that advocates supported in PGE's Low-income Qualified Bill Discount Program, such as tiered discount levels that includes full-time minimum-wage earners and self-certification enrollment and income qualification. That said, there are some differences between NW Natural and PGE respectively as gas and electric utilities.

The current NW Natural Bill Discount plan does not address these nuances. NW Natural has repeatedly said that they are waiting on the results of their low-income needs assessment (LINA) to adequately address these concerns. However, the LINA will not be available until July 2022. We understand NW Natural's concern around informing the design of the program off data, but we believe that NW Natural can still incorporate changes based on the following comments from stakeholders who have experience in serving low-income, front-line communities. This iteration of the plan is an interim program. In order to ensure a successful long-term bill discount program, it is crucial for NW Natural to incorporate stakeholder feedback in the interim phase and combine that with data once it is available. We encourage NW Natural to do so.

Program Eligibility/Enrollment

We commend NW Natural for incorporating auto-enrollment and self-verification in the program. Collaborating with Oregon Housing and Community Services (OHCS) is a good first step in reducing the time burden for eligible individuals already receiving assistance. We would also like to see NW Natural incorporate an online tool that allows community-based organizations and community action agencies (CAA) to enroll their clients directly, as well as provide funding as needed for these organizations due to the added time-commitment. We believe that this process would maximize enrollment from low-income customers that are more likely to enroll with agencies they already have an established relationship with, as well as from customers that programs often historically

struggled to enroll, such as non-English speakers, some immigrant communities, and the elderly.

We are pleased to see NW Natural's simplified intake process through incorporating self-verification of income. The income verification process can often be burdensome and systematically exclude significant numbers of eligible individuals in frontline communities needing assistance. By having a simple self-verification process that is accessible online, by phone, or mail, NW Natural's eligibility and enrollment process is more equitable, more respectful to clients, and more cost-effective than a process that requires income verification. We would also like NW Natural to ensure that enrolling in the program would be a no-risk venture for low-income customers—meaning customers would not have to pay back discounts if they were for some reason to unenroll from the program.

Post-enrollment Verification

NW Natural plans to require post-enrollment verification of need from a randomly selected 3% of the customers enrolled in the program. We want to make sure that NW Natural adopts an approach to income verification that recognizes that not all customers who are low-income can provide the necessary documentation due to some of the following reasons:

- Not have access to the paperwork required
- Have no income at all, or cannot prove income
- Work seasonally - if one makes most of their annual income within a few months, they may be eligible or ineligible depending on when verification occurs
- Have language barriers
- Have low literacy
- Be navigating the immigration process
- Be current victims of domestic violence
- Have special needs but not have an advocate to help them in the process.

We request that NW Natural address at a future workshop how its post-enrollment verification process would recognize these barriers to income verification.

Additionally, we recommend that NW Natural adopts a pre-qualifying process for certain customers, such as customers on a fixed income, so that they would not have to be a part of the post enrollment verification process. It is important to ensure that customers whose income is unlikely to change do not have to go through the logistical burden of income verification, and the associated risk of being disenrolled from the program. As a

result, we recommend that NW Natural's program includes a mechanism to identify those customers and exclude them from post-enrollment income verification.

Level of Relief

As previously noted, there are some differences between NW Natural and PGE respectively as gas and electric utilities—yet the discount tiers offered in NW Natural's plan are essentially the same as what PGE proposed despite varying factors (such as service territories, winter peak load, and proposed rate increases) without further explanation.

It is important to highlight that NW Natural is proposing to increase residential bill rates by 11.8% in their current general rate case. NW Natural already increased residential bills by 13.2% last year, meaning that customers would have to deal with a 25% increase in just a few years. The current discount tiers proposed by NW Natural do not address the additional burden that customers would have to face with these substantial rate increases. Given these rate increases, NW Natural must offer steeper discounts to offset the additional energy burden on low-income customers. Without steeper discounts, NW Natural will fail to fulfill the goals laid out by PUC staff's baseline evaluation criteria to prioritize low-income customers with the highest energy burden.¹

NW Natural has expressed that they are open to adjusting their discount tiers as necessary based on what they learn from their LINA, but in the meantime we would like to see steeper discounts put forward by NW Natural, similar to what other gas utilities have proposed, such as Avista and Cascade Natural Gas. It is reasonable to suggest that NW Natural should follow in the steps of other gas utilities, which have already had the opportunity to inform their discount tiers based on their LINA, as opposed to basing its proposal on that of an electric utility like PGE.

Furthermore, although a percentage based tier discount approach to addressing energy burden is a great first step, we would like to see NW Natural and PUC staff continue to explore sustainable solutions around this issue. By only providing a percentage reduction on bills, low-income customers will continue to remain vulnerable to future rate increases.

Outreach and Engagement

NW Natural has stated that they will “seek input and perspective from its Community Equity and Advisory Group (CEAG), a broad panel of representatives from community-based organizations who can share their expertise and knowledge of the

¹ <https://edocs.puc.state.or.us/efdocs/HAH/um2211hah114912.pdf>

communities they serve”.² We are glad to see NW Natural forming this group, but we find it odd that none of the community-based organizations heavily involved in UM 2211 and ADV 1390, such as Community Energy Project (CEP), Verde, Coalition of Communities of Color (CCC), and Rogue Climate among others, are a part of the CEAG. It is our perspective that the CEAG could benefit from having a mix of CBOs with less history of engagement in the energy space, and CBOs with a longer history of engagement.

NW Natural claims to have reached out to some of the groups mentioned, but we believe NW Natural could have conducted more robust and transparent recruitment for the advisory group. We look forward to hearing from new community voices in this process, and we would like NW Natural to consider having CEAG meetings open to the public for further transparency and for creating a space for richer participation. We would also like to hear from NW Natural on how they plan to incorporate feedback from the CEAG in HB 2475 and in the utility’s other processes. If feedback from the CEAG is not seriously considered, it runs the risk of falling under the category of being a “check the box” exercise for community engagement. We also would like for NW Natural to continue considering feedback from community-based organizations outside of the CEAG after it is launched.

We appreciate that NW Natural plans to conduct customer surveys at enrollment. Capturing data following enrollment is crucial in helping us understand how this bill discount program is positively or negatively impacting, or failing to impact, energy burdened customers. We cannot address issues that we cannot measure. Therefore, we would like the survey that NW Natural administers to include questions on energy affordability and demographics to ensure the NW Natural is meeting equity goals. In the drafting of these surveys, we ask NW Natural to be mindful of the time-burden on customers, and to collaborate with community-based organizations that have experience conducting similar surveys. We also ask NW Natural to provide the adequate equity training for call centers that would be conducting the surveys.

Timeline

NW Natural plans to launch their program on November 1, 2022. However, having the program implemented in November is too late. The program needs to be implemented by at least October 2022 so that customers can enroll *before* the heating season. We understand that NW Natural is dependent on how quickly they can get the technical components of their program set-up before launch, but we would like NW Natural to focus more resources in that area so that customers can sign up for the program before November.

² <https://edocs.puc.state.or.us/efdocs/UAA/adv1390uaa115729.pdf>

Conclusion

Overall, we appreciate the effort put forward by NW Natural in drafting their interim bill discount program. We hope that NW Natural continues to engage with stakeholders to ensure that low-income customers with the highest energy burden are provided adequate relief.

Sincerely,

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